



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/924,402	08/07/2001	Ronald S. Miolla	P0413	6277

23735 7590 09/09/2004

DIGIMARC CORPORATION
19801 SW 72ND AVENUE
SUITE 250
TUALATIN, OR 97062

EXAMINER

LAVIN, CHRISTOPHER L

ART UNIT PAPER NUMBER

2621

DATE MAILED: 09/09/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No. 09/924,402	Applicant(s) MIOLLA ET AL.	
	Examiner Christopher L Lavin	Art Unit 2621	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
 - If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
 - If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
 - Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 12 October 2001.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☐ Claim(s) 1 - 7 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1 - 7 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☒ Claim(s) 8 - 11 are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Election/Restrictions

1. Restriction to one of the following inventions is required under 35 U.S.C. 121:
 - I. Claims 1 - 7, drawn to method and apparatus for identifying merchandise for presence of watermark, classified in class 382, subclass 141.
 - II. Claims 8 - 11, drawn to tracking inventory via a watermark, classified in class 382, subclass 103.

The inventions are distinct, each from the other because of the following reasons:

2. Inventions I and II are related as subcombinations disclosed as usable together in a single combination. The subcombinations are distinct from each other if they are shown to be separately usable. In the instant case, invention I has separate utility such as identifying merchandise such as authenticating a passport, which has nothing to do with tracking merchandise for inventory. See MPEP § 806.05(d).

3. Because these inventions are distinct for the reasons given above and have acquired a separate status in the art because of their recognized divergent subject matter, restriction for examination purposes as indicated is proper.

4. During a telephone conversation with Steven Stewart on 07/29/04 a provisional election was made without traverse to prosecute the invention of I, claims 1 - 7.

Affirmation of this election must be made by applicant in replying to this Office action.

Claims 8 – 11 were withdrawn from further consideration by the examiner, 37 CFR 1.142(b), as being drawn to a non-elected invention.

5. Applicant is reminded that upon the cancellation of claims to a non-elected invention, the inventorship must be amended in compliance with 37 CFR 1.48(b) if one or more of the currently named inventors is no longer an inventor of at least one claim remaining in the application. Any amendment of inventorship must be accompanied by a request under 37 CFR 1.48(b) and by the fee required under 37 CFR 1.17(i).

Claim Rejections - 35 USC § 102

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

6. Claims 1 – 6 are rejected under 35 U.S.C. 102(b) as being anticipated by Rhoads (6,750,985).

7. In regards to claim 1, Rhoads throughout the patent, for example in the paragraph starting at column 22, line 59, discloses the use of digital watermarks to identify counterfeit merchandise. Inherent in such a design, is the fact that if a watermark is not present the merchandise is a counterfeit.

8. In regards to claim 2, Rhoads in the paragraph starting at column 13, line 56 discloses an identifier contained within the watermark and a network to access information about that identifier.

9. In regards to claim 3, Rhoads in the paragraph starting at column 13, line 56 discloses using an identifier to access information about a piece of merchandise. Later in the paragraphs starting at column 16, line 20 Rhoads discloses using information obtained from a digital watermark to detect counterfeits.

10. In regards to claim 4, Rhoads in the paragraph starting at column 25, line 36 discloses using a fragile watermark.

11. In regards to claim 5, Rhoads in figure 11 as described in the paragraph starting at column 13, line 56 discloses an inspector network comprising of a remote database containing information about merchandise, a computer with an input device, and a means of communicating between the computer and the database. The computer first detects a watermark through the input device. It then decodes the watermark, and uses the identifier obtained from the watermark to access information from the database through a network.

12. In regards to claim 6, Rhoads in figure 11 as described in the paragraph starting at column 13, line 56 disclosed an inspector network, inherent in such a design is a means of notifying the operator that a watermark could not be detected, and therefore failed the counterfeit test put forward in this application.

Claim Rejections - 35 USC § 103

13. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

14. The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.

2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

15. This application currently names joint inventors. In considering patentability of the claims under 35 U.S.C. 103(a), the examiner presumes that the subject matter of the various claims was commonly owned at the time any inventions covered therein were made absent any evidence to the contrary. Applicant is advised of the obligation under 37 CFR 1.56 to point out the inventor and invention dates of each claim that was not commonly owned at the time a later invention was made in order for the examiner to consider the applicability of 35 U.S.C. 103(c) and potential 35 U.S.C. 102(e), (f) or (g) prior art under 35 U.S.C. 103(a).

16. Claim 7 is rejected under 35 U.S.C. 103(a) as being unpatentable over Rhoads in view of Chu (6,325,283).

17. In regards to claim 7, Rhoads as shown in the rejection of claim 5 has everything in common with claim 7 except for a specific mention of a graphical user interface as part of the inspector network.

18. Chu teaches in the paragraph starting at column 2, line 36 that a graphical user interface can be used in conjunction with an inspector network.

19. Therefore it would have been obvious to one having ordinary skill in the art at the time of the invention to use a graphical user interface (as taught by Chu) in the inspector network. Chu teaches that a graphical user interface allows ease of use for users unskilled in advance computing techniques.

Conclusion

20. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.
21. US Pat. No 6,744,906 further documents fragile watermarks.
22. US Pat. No 6,721,440 further discloses counterfeit protection techniques using watermarks.
23. US Pat. No 6,286,761 provides more prior art in counterfeit detection with use of watermarks.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Christopher L Lavin whose telephone number is 703-306-4220. The examiner can normally be reached on M - F (8:30 - 5:00).

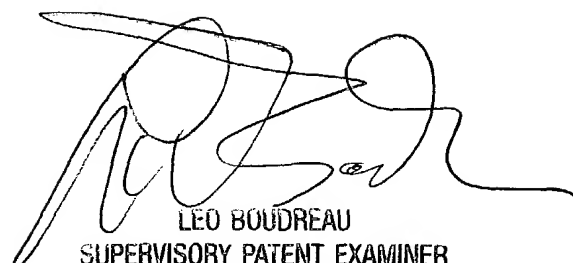
If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Leo Boudreau can be reached on (703) 305-4706. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Application/Control Number: 09/924,402
Art Unit: 2621

Page 7

CLL



LEO BOUDREAU
SUPERVISORY PATENT EXAMINER
TECHNOLOGY CENTER 2600